



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 7, 2008

### **S. 3175**

### **Predisaster Hazard Mitigation Act of 2008**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on June 25, 2008*

#### **SUMMARY**

S. 3175 would authorize appropriations to the Federal Emergency Management Agency (FEMA) for grants to states and localities for predisaster mitigation programs such as constructing levies, relocating homes from flood-prone areas, and retrofitting buildings in areas prone to earthquakes. CBO estimates that implementing S. 3175 would cost \$735 million over the 2009-2013 period and \$415 million after 2013, assuming appropriation of the specified amounts. Enacting S. 3175 would not affect direct spending or revenues.

S. 3175 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

#### **ESTIMATED COST TO THE FEDERAL GOVERNMENT**

The estimated budgetary impact of S. 3175 is shown in the following table. The costs of this legislation fall within budget function 450 (community and regional development).

	By Fiscal Year, in Millions of Dollars					2009- 2013
	2009	2010	2011	2012	2013	
<b>CHANGES IN SPENDING SUBJECT TO APPROPRIATION</b>						
Authorization Level	210	220	230	240	250	1,150
Estimated Outlays	21	85	173	223	233	735

## **BASIS OF ESTIMATE**

Under current law, FEMA is authorized through 2008 to provide grants to states and localities to help prevent damage in areas frequented by disasters. S. 3175 would extend this authority through fiscal year 2013 and authorize appropriations totaling \$1.15 billion, which CBO estimates would cost \$735 million over the 2009-2013 period and \$415 million after 2013. This estimate of spending is based on historical spending patterns for such grants.

## **INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT**

S. 3175 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. Assuming appropriation of authorized amounts, state and local governments would benefit from \$735 million in grants over the 2009-2013 period for mitigation activities. Any costs to such governments, including matching funds, would be incurred voluntarily.

## **PREVIOUS CBO ESTIMATE**

On June 5, 2008, CBO transmitted a cost estimate for H.R. 6109, the Pre-Disaster Mitigation Act of 2008, as ordered reported by the House Committee on Transportation and Infrastructure on May 22, 2008. The bill is similar to S. 3175, but the Senate legislation would authorize annual appropriations over the 2009-2013 period while H.R. 6109 would authorize appropriations only through 2011. As a result, CBO estimates that the cost of implementing S. 3175 would exceed the cost of H.R. 6109 by \$35 million over the 2009-2013 period and by \$365 million after 2013.

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